City led Reease 2002/08/21 : CIA-RDP80R01731R002700010007-9

25X1

TOP SECRET

25X1

6 September 46 1645 hours.

MEMO FOR RECORD

Based on the attached paraphrase of cable received on 2-3 September, I arranged a conference with <u>General Connolly</u>, Office of the Foreign Liquidation Commission, at 1530 hours this date in General Connolly's office. I permitted General Connolly and Mr. S. D. Boykin, Chief of the Compliance Branch, OFLC, to read the paraphrased cable and made the following points:

- l. That the source of the message was <u>fairly</u> reliable but that there was not sufficient evidence that the Colonel in question <u>had</u> made the reported statements to consider them positive.
 - 2. That our (CIG) reaction to the message was as follows:
 - a. If the individual in question was engaging in any foreign clandestine intelligence operations, as an official of OFLC, he was violating proper governmental practices.
 - <u>b.</u> <u>If</u> he was discussing a possible connection between OFLC and any sub-rosa political group he would be jeopardizing the status of the OFLC.
- 3. That our interest in the matter was strictly to report a possible condition which, if true, might operate against the interests of the charter of OFLC.

At the request of General Connolly, I agreed to provide them with anything further in this connection which might come to our attention.

Colonel, GSC

25X1

Executive to the Director.

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"X" was approached here recently by a Colonel ______ of the Compliance 25X1

Branch O.F.L.C., _____ The Colonel was reputed to have stated that O.F.L.C. would maintain interests in Europe over a long period and that he was interested in recruiting "X" and others for commercial intelligence.

It is understood that details were requested of Colonel _____ and that he is reported to have stated that a U.S. anti-communist secret organization was being set-up - - and that "commercial intelligence" was a "front" for that organization.

Jen Connesen 819-72083 -5804 72160 AN